



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 14, 2008

S. 2390 **Fire-Safe Communities Act**

As introduced in the Senate on November 16, 2007

SUMMARY

S. 2390 would authorize appropriations for programs to create fire-safe communities (municipalities that adopt fire ordinances consistent with a federal model developed by the National Institute of Standards and Technology) and promote responsible development. The bill also would authorize the Federal Emergency Management Agency (FEMA) to increase the amount of federal assistance provided to fire-safe communities during and after a fire. Assuming appropriation of the necessary and specified amounts, CBO estimates that implementing S. 2390 would cost about \$500 million over the 2008-2013 period. Enacting this legislation would not affect direct spending or revenues.

S. 2390 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2390 is shown in the following table. The cost of this legislation falls within budget functions 300 (natural resources and environment), 370 (commerce and housing credit), and 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars					
	2008	2009	2010	2011	2012	2013
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Fire Model Ordinances						
Authorization Level	8	0	0	0	0	0
Estimated Outlays	3	5	0	0	0	0
Increased Federal Share for Fire Management Assistance Grants						
Estimated Authorization Level	0	10	21	22	23	24
Estimated Outlays	0	7	20	22	23	24
Grants for Responsible Development						
Authorization Level	25	25	25	25	25	25
Estimated Outlays	0	4	18	33	35	29
Grants for Fire-Hazard Assessment Maps						
Authorization Level	15	15	15	15	15	15
Estimated Outlays	0	2	8	15	20	18
Fire-Safe Communities Pilot Program						
Authorization Level	50	50	50	50	50	50
Estimated Outlays	5	30	40	50	50	50
Total Changes						
Estimated Authorization Level	98	100	111	112	113	114
Estimated Outlays	8	48	86	120	128	121

BASIS OF ESTIMATE

S. 2390 would establish several grant programs to create and promote fire-safe communities and responsible development. The bill also would increase the amount of federal assistance that fire-safe communities could receive as a result of a fire. CBO estimates that fully funding this legislation would require appropriations of \$98 million in 2008 and \$648 million over the 2008-2013 period. Assuming appropriation of those amounts, we estimate that implementing this legislation would cost \$511 million over the 2008-2013 period. For this estimate, we assume that the bill will be enacted during 2008 and that the necessary and specified amounts will be appropriated for each fiscal year—including some supplemental funding for 2008, although most of the spending from any such 2008 funds would likely occur in subsequent years.

Fire Model Ordinances

S. 2390 would authorize the appropriation of \$7.5 million for the National Institute of Standards and Technology (NIST) to publish a model ordinance that could be used by municipalities that face the risk of wildfire. Local governments that adopt ordinances consistent with this model would be considered fire-safe communities for the purpose of other assistance provided in the bill. CBO estimates that implementing this provision would cost \$7.5 million over the 2008-2009 period.

Increased Federal Share for Fire Management Assistance Grants

S. 2390 would increase the amount of federal assistance that certain municipalities may receive during and after a declared fire emergency or fire-related disaster. Through the Fire Management Assistance Grant Program (FMAGP), FEMA provides assistance to state and local governments to mitigate, manage, and control any fire that has the potential to become a major disaster. The Stafford Act currently requires that recipients of FMAGP funds provide 25 percent of a project's estimated cost. S. 2390 would authorize FEMA to reduce this amount to 10 percent for fire-safe communities.

CBO estimates that increasing the federal cost share for FMAGP assistance would require additional appropriations for FEMA's programs to provide disaster relief in the future. Such amounts would depend on the frequency and severity of future fire-related incidents. Based on historical data, CBO projects that, under current law, about \$600 million in FMAGP assistance will be provided over the next five years. Assuming that about 85 percent of the communities eligible for assistance will ultimately adopt the appropriate standards to be considered fire-safe communities (with about half doing so during 2009 and the rest in 2010), CBO estimates that increased federal assistance to those communities under S. 2390 would cost \$96 million over the 2009-2013 period.

Grants for Responsible Development

S. 2390 would authorize the appropriation of \$150 million over the 2008-2013 period for FEMA to provide grants to local governments for responsible development and fire mitigation. Funding would be used to adopt ordinances consistent with the fire-safe communities model, create fire maps, and provide educational programs for fire departments, community planners, and the public. Based on historical spending patterns for similar programs, CBO estimates that implementing this provision would cost \$119 million over the 2009-2013 period, with additional spending occurring in later years.

Grants for Fire-Hazard Assessment Maps

S. 2390 would authorize the appropriation of \$15 million annually over the 2008-2013 period for FEMA to provide grants to states to create or update fire-hazard assessment maps. Such maps identify which areas are most prone to damage from wildfires. CBO estimates that implementing this provision would cost \$63 million over the 2009-2013 period, with additional spending occurring in later years.

Fire-Safe Communities Pilot Program

S. 2390 would authorize the appropriation of \$50 million for each of fiscal years 2008 through 2013 for grants to local governments. The grants would support pilot programs to create fire-safe communities. Based on historical spending patterns for similar programs of the Forest Service and the Department of the Interior, CBO estimates that implementing this provision would cost \$225 million over the 2008-2013 period, with additional spending occurring in later years.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2390 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Assuming appropriation of the authorized and estimated amounts, state and local governments would receive about \$500 million over the 2008-2013 period to improve fire prevention and management. Any costs, including matching requirements, would be incurred voluntarily.

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